

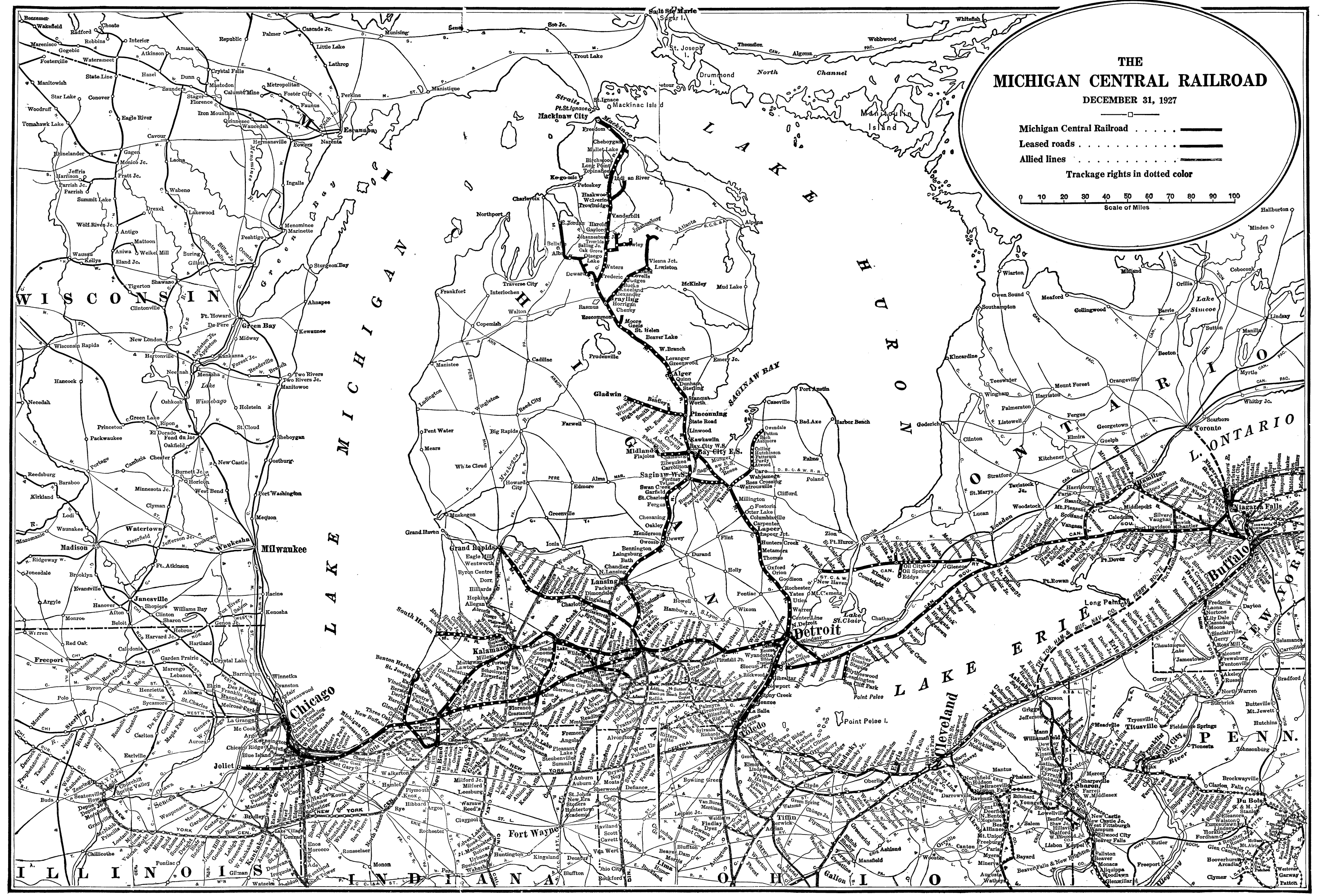
THE MICHIGAN CENTRAL RAILROAD

DECEMBER 31, 1927

Michigan Central Railroad
Leased roads
Allied lines

Trackage rights in dotted color

0 10 20 30 40 50 60 70 80 90 100
Scale of Miles



The Michigan Central Railroad Company

Report of the Board of Directors
to the Stockholders
for the year ended
December 31, 1927



DETROIT
MICHIGAN

ORGANIZATION OF THE MICHIGAN CENTRAL RAILROAD COMPANY

DECEMBER 31, 1927

DIRECTORS

CHAUNCEY M. DEPEW	HAROLD S. VANDERBILT	WARREN S. HAYDEN
FREDERICK W. VANDERBILT	EDWARD S. HARKNESS	BERTRAM CUTLER
GEORGE F. BAKER	ALBERT H. HARRIS	PATRICK E. CROWLEY
WILLIAM K. VANDERBILT	EDMOND D. BRONNER	CHARLES B. SEGER
	JACKSON E. REYNOLDS	

The annual meeting of stockholders for the election of directors is held in the city of Detroit, Michigan, on the Thursday after the first Wednesday in May

FINANCE COMMITTEE

ALBERT H. HARRIS, <i>Chairman</i>	HAROLD S. VANDERBILT
GEORGE F. BAKER	CHARLES B. SEGER
WILLIAM K. VANDERBILT	JACKSON E. REYNOLDS

CORPORATE OFFICERS

President	PATRICK E. CROWLEY	New York
Assistant to President	HOWARD L. INGERSOLL	New York
Assistant to President	FRANK H. HARDIN	New York
Executive Assistant to President	MARTIN J. ALGER	New York
Engineering Assistant to President	RICHARD E. DOUGHERTY	New York
Senior Law Vice President	IRA A. PLACE	New York
Vice President	ALBERT H. HARRIS	New York
Vice President	GEORGE H. INGALLS	New York
Vice President	EDMOND D. BRONNER	Detroit
Vice President	JOHN L. BURDETT	New York
Vice President	JOHN G. WALBER	New York
Vice President and General Counsel	ROBERT J. CARY	New York
Vice President	CHARLES C. PAULDING	New York
Assistant Vice President	CHARLES J. BRISTER	Chicago
Assistant Vice President	JOHN K. GRAVES	New York
Assistant Vice President and General Manager	HENRY SHEARER	Detroit
General Counsel	FRANK E. ROBSON	Detroit
Secretary	EDWARD F. STEPHENSON	New York
Assistant Secretary	JOSEPH M. O'MAHONEY	New York
General Treasurer	HARRY G. SNELLING	New York
Assistant General Treasurer	EDGAR FREEMAN	New York
Assistant General Treasurer	HENRY A. STAHL	New York
Assistant General Treasurer	RUSH N. HARRY	New York
Treasurer	WALTER E. HACKETT	Detroit
Comptroller	WILLIAM C. WISHART	New York
Assistant Comptroller	LEROY V. PORTER	New York
Assistant Comptroller	FREDERICK H. MEEDER	New York

General Treasurer, 466 Lexington Avenue, New York, transfers stock, pays dividends on stock, transfers bonds and pays interest on bonds

Central Union Trust Company of New York registers stock at 80 Broadway, New York

REPORT

To the Stockholders of

THE MICHIGAN CENTRAL RAILROAD COMPANY:

The Board of Directors herewith submits its report for the year ended December 31, 1927, with statements showing the income account for the year and the financial condition of the company.

Road operated

The following is a comparative table of the mileage operated:

	1927 Miles	1926 Miles	Comparison Miles
Main line and branches owned	1,184.36	1,184.36	
Line jointly owned	.70	.70	
Leased lines	576.43	576.89	.46 Decrease
Lines operated under trackage rights	96.93	94.03	2.90 Increase
Total road operated	<u>1,858.42</u>	<u>1,855.98</u>	<u>2.44 Increase</u>

Adjustments of measurements caused the decrease of 46/100ths of a mile in leased lines and the increase of 2.90 miles in trackage rights is the result of the acquisition of running rights over the Detroit and Mackinac Railroad at Cheboygan, Michigan, 2.16 miles, and over the Illinois Central Railroad at Chicago 74/100ths of a mile.

The year's business

During 1927 the company moved 31,415,851 tons of revenue freight, a decrease as compared with 1926 of 1,765,722 tons. The more important decreases were: coal and coke 371,524 tons; gravel, sand and stone 655,144 tons; lumber, timber and other forest products 344,567 tons; automobiles and trucks 208,940 tons; and other manufactures and miscellaneous 105,843 tons.

Revenue passengers carried were 3,772,123, a decrease of 503,391, of which 37,234 were in interline, 414,828 in local and 51,329 in commutation passengers.

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INCOME ACCOUNT FOR THE YEAR

	Year ended Dec. 31, 1927 1,858.42 miles operated	Year ended Dec. 31, 1926 1,855.98 miles operated	Increase 2.44 miles	Decrease
OPERATING INCOME				
RAILWAY OPERATIONS				
Railway operating revenues	\$89,750,601 95	\$95,524,343 34		\$5,773,741 39
Railway operating expenses	62,244,288 16	64,957,363 74		2,713,075 58
NET REVENUE FROM RAILWAY OPERATIONS	\$27,506,313 79	\$30,566,979 60		\$3,060,665 81
Percentage of expenses to revenues	(69.35)	(68.00)	(1.35)	
Railway tax accruals	\$6,247,714 64	\$5,979,584 60	\$268,130 04	
Uncollectible railway revenues	25,668 93	24,747 55	921 38	
RAILWAY OPERATING INCOME	\$21,232,930 22	\$24,562,647 45		\$3,329,717 23
Equipment rents, net credit	\$294,778 82	\$424,049 34*		\$718,828 16
Joint facility rents, net debit	538,883 24	573,467 62		34,584 38
NET RAILWAY OPERATING INCOME	\$20,988,825 80	\$23,565,130 49		\$2,576,304 69
MISCELLANEOUS OPERATIONS				
Revenues	\$395,388 09	\$366,054 63	\$29,333 46	
Expenses and taxes	321,030 59	324,821 23		\$3,790 64
MISCELLANEOUS OPERATING INCOME	\$74,357 50	\$41,233 40	\$33,124 10	
TOTAL OPERATING INCOME	\$21,063,183 30	\$23,606,363 89		\$2,543,180 59
NON-OPERATING INCOME				
Income from lease of road	\$236 51	\$10 00	\$226 51	
Miscellaneous rent income	230,775 18	178,442 67	52,332 51	
Miscellaneous non-operating physical property	70,151 22	81,757 69		\$11,606 47
Dividend income	582,958 00	571,148 01	11,809 99	
Income from funded securities	749,775 96	451,036 87	298,739 09	
Income from unfunded securities and accounts	319,349 11	431,687 65		112,338 54
Miscellaneous income	7,826 78	8,068 90		242 12
TOTAL NON-OPERATING INCOME	\$1,961,072 76	\$1,722,151 79	\$238,920 97	
GROSS INCOME	\$23,024,256 06	\$25,328,515 68		\$2,304,259 62
DEDUCTIONS FROM GROSS INCOME				
Rent for leased roads	\$2,735,315 46	\$2,735,882 82		\$567 36
Miscellaneous rents	4,898 33	10,074 66		5,176 33
Miscellaneous tax accruals	70,474 24	21,529 19	\$48,945 05	
Interest on funded debt	3,158,934 65	3,417,167 77		258,233 12
Interest on unfunded debt	22,977 43	9,688 67	13,288 76	
Amortization of discount on funded debt	154,408 44	161,988 03		7,579 59
Maintenance of investment organization	1,306 45	1,980 33		673 88
Miscellaneous income charges	9,383 08	6,305 40	3,077 68	
TOTAL DEDUCTIONS FROM GROSS INCOME	\$6,157,698 08	\$6,364,616 87		\$206,918 79
NET INCOME	\$16,866,557 98	\$18,963,898 81		\$2,097,340 83
DISPOSITION OF NET INCOME				
Dividends declared: 40 per cent in 1927; 35 per cent in 1926	\$7,494,560 00	\$6,557,740 00	\$936,820 00	
SURPLUS FOR THE YEAR CARRIED TO PROFIT AND LOSS	\$9,371,997 98	\$12,406,158 81		\$3,034,160 83

* Debit

The Michigan Central Railroad Company

Profit and Loss account

BALANCE TO CREDIT OF PROFIT AND LOSS, DECEMBER 31, 1926		\$82,358,614 74
ADDITIONS:		
Surplus for the year 1927	\$9,371,997 98	
Profit on property sold	144,264 41	
Unrefundable overcharges	22,517 46	
Profit on securities sold	390,916 54	
Miscellaneous items (net)	14,977 58	9,944,673 97
DEDUCTIONS:		
Dividend appropriation of surplus (50%)	\$9,368,200 00	\$92,303,288 71
Surplus appropriated for investment in physical property	22,622 91	
Depreciation prior to July 1, 1907, on equipment retired during year	167,755 78	
Loss on property retired	492,920 12	
Premium account payment before maturity of equipment trust notes of 1920 and unamortized balance of expenses on same	85,560 00	10,137,058 81
BALANCE TO CREDIT OF PROFIT AND LOSS, DECEMBER 31, 1927		\$82,166,229 90

Operating revenues

The total operating revenues were \$89,750,601.95, a decrease of \$5,773,741.39.

Freight revenue was \$60,355,090.02, a decrease of \$4,134,671.53.

Passenger revenue was \$20,202,686.31, a decrease of \$1,335,253.01. The average distance passengers were carried in 1927 was 152.96 miles, while in 1917 it was 85.94 miles, an increase during the eleven years of 67.02 miles or 78 per cent, reflecting the greater volume of long haul business.

Mail revenue was \$1,048,584.86, an increase of \$101,499.46, due to a larger volume of traffic.

Express revenue was \$4,115,980.20, a decrease of \$327,390.76, the result of a falling off in business handled.

Other transportation, incidental and joint facility revenue was \$4,028,260.56, a decrease of \$77,925.55.

Operating expenses

The following table shows the operating expenses by groups:

Group	Amount	Increase	Decrease
Maintenance of way and structures	\$10,344,918 92		\$1,183,264 08
Maintenance of equipment	16,718,888 01		1,345,651 70
Traffic	1,511,076 43	\$142,808 12	
Transportation	29,525,765 27		375,039 14
Miscellaneous	1,167,848 99	25,240 15	
General	3,026,330 11		56,097 24
Transportation for investment—credit	50,539 57	78,928 31	
Total	\$62,244,288 16		\$2,713,075 58

The decrease in expense for maintenance of way and structures is largely the result of heavy charges in 1926 to operating expenses in connection with improvements at the Third Street Terminal at Detroit and elsewhere, of reduction in the number of ties used for renewals and of reduction in charges for removing snow and ice.

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The decrease in expense for maintenance of equipment is mainly accounted for in locomotive repairs, due to replacement of older engines by new and improved ones, and in freight car repairs, the result of a reduced number of units undergoing repairs at the company's shops and by other carriers.

The decrease in transportation expenses reflects the decline in both passenger and freight traffic, concurrently with which operating forces were reduced. The resulting economies were in part offset by increased rates of pay and increased prices of fuel.

The decrease in general expenses is principally due to a reduction in charges for pensions attributable in large part to fewer voluntary retirements under the service provisions of the pension rules, and to decreased valuation expenses the result of a reduction in forces. There were increases in other accounts of this group, notably in salaries of clerks and attendants following an adjustment of wages.

Railway tax accruals

Railway tax accruals were \$6,247,714.64, an increase of \$268,130.04. Contributing to this increase were adjustments in 1926 of over-accruals of United States Federal income taxes for prior years and increases in 1927 in ad valorem taxes in Michigan, while partial offsets were decreases due to repeal of the federal capital stock tax and reduced accruals for Canadian income taxes, the result of adjustment in 1926 of under-accruals for prior years.

Equipment rents

The net credit to equipment rents was \$294,778.82, as compared with a net debit in 1926 of \$424,049.34, or a decrease in net charges of \$718,828.16, mainly the result of a lesser number of foreign cars on the company's lines in 1927.

Joint facility rents

The net debit account joint facility rents was \$538,883.24, a decrease of \$34,584.38. The total amount received decreased \$17,358.71, due to adjustments affecting prior years. The total amount paid decreased \$51,943.09, largely attributable to reduction in amount of tolls paid the Illinois Central Railroad Company for trackage between Kensington and Chicago and in amount paid for puller service at Toledo.

Miscellaneous operations

This account includes only the operation of the company's livestock yards at Detroit with a gross income of \$395,388.09 for 1927, an increase of \$29,333.46 over the previous year, and a net income of \$74,357.50, an increase of \$33,124.10.

Non-operating income

Non-operating income was \$1,961,072.76, an increase of \$238,920.97.

Miscellaneous rent income was \$52,332.51 more than in 1926, largely the result of increased rentals and new leases.

Income from funded securities increased \$298,739.09, the average holdings of United States Government securities during 1927 having exceeded the average for 1926.

Income from unfunded securities and accounts decreased \$112,338.54, a smaller amount having been received as interest on bank balances.

*The Michigan Central Railroad Company**Deductions from gross income*

Deductions from gross income were \$6,157,698.08, a decrease of \$206,918.79, mainly due to a decrease in interest on funded debt on account of the reduction in amount of equipment trust certificates outstanding.

Net income before dividends

The net income of the company was \$16,866,557.98, a decrease of \$2,097,340.83.

Dividends

Dividends declared and charged against the income of the year were as follows:

Date declared	Date payable	Rate per cent	Amount
June 15, 1927	July 29, 1927	20	\$3,747,280 00
December 14, 1927	January 28, 1928	20	3,747,280 00
	Total for the year	40	<u>\$7,494,560 00</u>

An extra dividend of 50 per cent, paid out of the company's accumulated surplus, was declared December 14 payable December 30, 1927.

Surplus

After charges for dividends, aggregating 40 per cent, there remained a surplus, for the year, of \$9,371,997.98 which was carried to the credit of profit and loss. At the end of the year and after the extra dividend of 50 per cent, the total corporate surplus was \$88,977,884.10.

Capital stock

The capital stock of the company remained unchanged during the year, the total amount authorized and issued being \$18,738,000.

Changes in funded debt

The funded debt outstanding on December 31, 1926, was \$73,968,942 31

In has been reduced as follows:

By payments falling due during the year and on January 1, 1928, on the company's liability for principal installments under Equipment Trust Agreements as follows:

N Y C Lines Trust of 1913, January 1, 1928	\$262,359 56	
M C R R Trust of 1915, October 1, 1927	300,000 00	
M C R R Trust of 1917, March 1, 1927	600,000 00	
Trust No. 48 (1920), January 15, 1927	346,400 00	
Trust No. 48 (1920), July 15, 1927 (remaining installments paid in full)	2,771,200 00	
M C R R Co proportion of N Y C R R Co Trust of 1920, April 15, 1927	467,664 75	
N Y C Lines Trust of 1922, June 1, 1927	373,000 00	
N Y C Lines 4½ per cent Trust of 1922, September 1, 1927	51,000 00	
N Y C Lines Trust of 1923, June 1, 1927	632,000 00	
N Y C Lines Trust of 1924, June 1, 1927	233,000 00	
N Y C Lines 4½ per cent Trust of 1924, September 15, 1927	173,000 00	
N Y C Lines 4½ per cent Trust of May 15, 1925, May 15, 1927	234,000 00	6,443,624 31
leaving the funded debt on December 31, 1927,		<u>\$67,525,318 00</u>

*Annual Report**Termination of New York Central Lines Equipment Trust of 1912*

New York Central Lines Equipment Trust of 1912 having expired on January 1, 1927, the title to the equipment was transferred by the Trustee to the several railroad companies, parties to the trust, in proportion to the amount of the cost thereof paid by each company, respectively. This company's share of the equipment so transferred from trust to railroad owned consisted of 31 locomotives, 2,462 freight train cars and 1 passenger train car.

Termination of Equipment Trust No. 48

The \$2,771,200 of the company's six per cent Equipment Gold Notes outstanding under its Equipment Trust, No. 48, were called for redemption on July 15, 1927. As of that date title to the equipment included in the trust, consisting of 20 freight and 10 switching locomotives, 1,013 gondola cars, 994 box cars, and 10 auto box cars, was transferred to the company.

Property investment accounts

Increases in the property investment accounts for the year, as shown in detail elsewhere in this report, were as follows:

Road	\$1,103,621 26
Equipment	1,515,011 62
Improvements on leased property	40,232 21
Miscellaneous physical property	200,887 46
Total	<u>\$2,859,752 55</u>

Improvements

Important improvements completed or under way during the year were as follows:

Grade separation:

At Eureka Road, Wyandotte, Michigan, work was completed and at Joseph Campeau Avenue, Hamtramck, Michigan, and at State Highway M-13, Grand Rapids, Michigan, work was commenced, to be completed in 1928. Work was nearing completion at Livernois Avenue, Detroit.

Strengthening Bridge, Cornell, Ontario:

Work was commenced on the strengthening of the five span steel girder double track bridge at Cornell, Ontario, and will be completed in 1928.

Building for handling fruits and vegetables at Detroit:

A two-story brick and concrete building, fifty feet by six hundred feet, was constructed adjacent to the Third Street freight terminal at Detroit. This facility, which contains an auditorium for auction purposes and office space for dealers, is to be used in connection with the handling of carload shipments of fruits and vegetables for commission merchants and others at Detroit.

Additional yard facilities, Hartsdale, Indiana:

Fifteen thousand two hundred and twenty-four feet of track were added in the interchange yard at Hartsdale, Indiana.

Addition to engine house, Windsor, Ontario:

At the engine house at Windsor, Ontario, nine stalls were added and the boiler room was extended.

The Michigan Central Railroad Company

Automatic train control

During the year an installation of automatic train control was placed in operation between Niles, Michigan, and Kensington, Illinois, thus completing the automatic train stop system between Detroit and Chicago.

Proposed lease of the company's properties to The New York Central Railroad Company

The proceedings before the Interstate Commerce Commission in which The New York Central Railroad Company is seeking the authority of the Commission for the leasing of the lines of railroad and properties of this company, as set forth in the Annual Report for 1926, are still pending. Hearings took place in January, 1927, but the case was reopened for the introduction of additional evidence at a hearing to be held early in 1928.

Extension of lease of Detroit Manufacturers Railroad

The agreement dated April 1, 1902, under which the company has been operating the Detroit Manufacturers Railroad, was to expire by its terms on January 1, 1928. Under authority of resolutions adopted by the Finance Committee of the Board of Directors of the company on October 26, 1927, and by its stockholders at a special meeting held on December 1, 1927, it is proposed to make a supplemental agreement extending the original agreement to June 11, 1931, the date of expiration of the City ordinance under which the railroad occupies the streets. Application to the Interstate Commerce Commission for authority to make the extension agreement was pending at the end of the year.

Valuation of the company's property by the Interstate Commerce Commission

During the year 1926 and the early part of the year 1927, representatives of the company were engaged in conferences with the representatives of the Bureau of Valuation of the Interstate Commerce Commission for the purpose of arriving, if possible, at agreements concerning the cost of reproduction new, depreciation and land values with respect to the property of the company and its leased lines as of June 30, 1918. These conferences were predicated upon the assumption of the correctness of the methods, rules and principles employed by the Commission with a reservation to the company of the right, at formal hearing, to contest the correctness of these methods, rules and principles. On this basis agreements were reached in many instances. The tentative valuation in this case had been served during the year 1925. A protest thereto had been duly filed.

The case came on for formal hearing before the Commission in August, 1927, being consolidated with the case of The New York Central Railroad Company and other system lines. Briefs were subsequently filed and oral argument submitting the case was had on November 30, 1927. A decision may be expected during 1928.

Redemption of bonds of Chicago Kalamazoo and Saginaw Railway Company

The company held \$761,000 face value of the first mortgage four per cent bonds, due June 30, 1959, of the Chicago Kalamazoo and Saginaw Railway Company. During the year \$480,000 of these bonds were paid, thus reducing the company's holdings to \$281,000 face value.

*Annual Report**Wages*

Requests from the locomotive engineers and locomotive firemen were handled jointly with other eastern railroads and a settlement was reached effective in the case of the engineers on August 1, 1927, and in the case of the firemen on February 1, 1927, under which they were granted the same percentage of increase, $7\frac{1}{2}$ per cent, as was awarded conductors and trainmen in the 1926 arbitration. This settlement resulted in a pay roll increase of approximately \$320,000. Wages of clerical and station forces were increased 6 per cent effective March 16, 1927, resulting in a pay roll increase of approximately \$320,000 per annum. Requests from the train dispatchers were disposed of through the United States Board of Mediation effective February 1, 1927, and April 16, 1927, and resulted in a pay roll increase of approximately \$4,600 per annum. The wages of yard masters and station masters were adjusted effective April 16, 1927, with a resulting increase in pay rolls of \$20,000 per annum. Increases for certain supervisory and technical forces were made effective on various dates and on an annual basis would increase the pay roll cost approximately \$16,000. The approximate total annual increase in the pay roll expenses enumerated is \$680,000.

Pensions

During the year 132 employees were retired and pensioned: 50 at the age of seventy, 47 for disability, and 35 voluntarily on service pension. There were 692 pensioners at the close of the year. The total amount paid in pensions for the year was \$396,506.01. The balance in the reserve set up to provide for payments upon pensions granted in 1925, and subsequently, was, at the end of the year, \$2,126,484.

Changes in organization

The Board records the following: June 1, 1927, Ira A. Place appointed Senior Law Vice President; Robert J. Cary, Vice President and General Counsel; and Charles C. Paulding, Vice President, Public Relations.

The Board wishes to express its appreciation of the loyal and efficient service of the officers and employees of the company during the year.

For the Board of Directors,



President.

The Michigan Central Railroad Company

CAPITALIZATION

Capital stock

Number of shares authorized	187,380	Par value authorized	\$18,738,000 00
Number of shares issued	187,380	Par value issued	\$18,738,000 00
Number of shares held by company	16	Par value held by company	1,600 00
Number of shares actually outstanding	187,364	Par value actually outstanding	\$18,736,400 00
Par value per share	\$100.00	Dividends declared during the year	90 per cent

Funded debt

MORTGAGE BONDS	Date of issue	Date of maturity	Amount of authorized issue	Amount issued and now outstanding	Rate of interest	Payable on the first day of
Michigan Central Railroad Co first ^③	1902	May 1, 1952	\$18,000,000 00	\$18,000,000 00	3½%	Nov and May
Michigan Central Railroad Co refunding and improvement-series A ^①	1917	Jan. 1, 1947	6,171,000 00	6,171,000 00	4½%	July and Jan
Michigan Central Railroad Co refunding and improvement-series B ^①	1920	July 1, 1935	507,000 00	507,000 00	6%	Jan and July
Gold debentures ^③	1909	April 1, 1929	25,000,000 00	7,634,000 00	4%	Oct and April
Grand River Valley Railroad first ^③	1909	Sept. 1, 1959	4,500,000 00	1,500,000 00	4%	Mch and Sept
Detroit & Bay City Railroad first ^②	1881	Mch. 1, 1931	4,000,000 00	4,000,000 00	5%	{ June, Sept, Dec, March
Kalamazoo & South Haven Railroad first ^②	1889	Nov. 1, 1939	700,000 00	700,000 00	5%	May and Nov
Michigan Air Line Railroad first ^②	1890	Jan. 1, 1940	2,600,000 00	2,600,000 00	4%	July and Jan
Jackson Lansing & Saginaw Railroad first ^③	1901	Sept. 1, 1951	2,000,000 00	1,695,000 00*	3½%	Mch and Sept
Joliet and Northern Indiana Railroad first ^③	1907	July 10, 1957	3,000,000 00	1,500,000 00	4%	Jan 10, July 10
Bay City & Battle Creek Railway Co first ^④	1889	Dec. 1, 1989	1,800,000 00	49,000 00†	3%	June and Dec
Toledo Canada Southern & Detroit Railway Co first ^③	1906	Jan. 1, 1956	4,500,000 00	3,100,000 00	4%	July and Jan
			Total	\$47,456,000 00		
Less Michigan Central Railroad Co refunding and improvement mortgage bonds nominally issued and held by or for the company				6,678,000 00		
			Total mortgage bonds actually outstanding	\$40,778,000 00		

EQUIPMENT TRUST OBLIGATIONS

Equipment trust certificates (M C R R) ^⑤	1915	Oct. 1, 1930	\$4,500,000 00	\$900,000 00	5%	Apl and Oct
Equipment trust certificates (M C R R) ^③	1917	Mch. 1, 1932	9,000,000 00	3,000,000 00	6%	Sept and Mch
Equipment trust certificates (N Y C R R) ^③	1920	April 15, 1935	7,014,971 25	3,741,318 00	7%	Oct 15, Apl 15
Equipment trust certificates (N Y C Lines) ^③	1922	June 1, 1937	5,595,000 00	3,730,000 00	5%	Dec and June
Equipment trust certificates (N Y C Lines) ^③	1922	Sept. 1, 1937	765,000 00	510,000 00	4½%	Mch and Sept
Equipment trust certificates (N Y C Lines) ^③	1923	June 1, 1938	9,480,000 00	6,952,000 00	5%	Dec and June
Equipment trust certificates (N Y C Lines) ^③	1924	June 1, 1939	3,495,000 00	2,796,000 00	5%	Dec and June
Equipment trust certificates (N Y C Lines) ^③	1924	Sept. 15, 1939	2,595,000 00	2,076,000 00	4½%	Mch 15, Sept 15
Equipment trust certificates (N Y C Lines) ^③	1925	May 15, 1940	3,510,000 00	3,042,000 00	4½%	Nov 15, May 15
			Total equipment trust obligations actually outstanding	\$26,747,318 00		
			Total funded debt actually outstanding	\$67,525,318 00		

TRUSTEES:

- | | |
|---|---|
| ① Bankers Trust Company, New York | ④ Metropolitan Trust Company, New York (now Chatham Phenix National Bank and Trust Company) |
| ② Central Union Trust Company of New York | |
| ③ Guaranty Trust Company of New York | ⑤ Fidelity-Philadelphia Trust Company, Philadelphia |

* \$305,000 purchased and retired by the Land Grant Trustees

† Balance remaining out of an issue of \$250,000

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EQUIPMENT TRUSTS

The following statement shows the character of the equipment included in Equipment Trusts together with the total amount of certificates or notes issued and the amount now outstanding:

MICHIGAN CENTRAL RAILROAD EQUIPMENT TRUST OF 1915

Company	Freight cars	Certificates issued for not to exceed 90 per cent of cost bearing dividend at 5 per cent	Annual installment	Certificates redeemed	Balance certificates outstanding Dec. 31, 1927
M C R R	4,045	\$4,500,000 00	\$300,000 00	\$3,600,000 00	\$900,000 00

MICHIGAN CENTRAL RAILROAD EQUIPMENT TRUST OF 1917

Company	Loco-motives	Passenger cars	Freight cars	Certificates issued for not to exceed 80 per cent of cost bearing dividend at 6 per cent	Annual installment	Certificates redeemed	Balance certificates outstanding Dec. 31, 1927
M C R R	10	50	6,000	\$8,802,000 00	\$600,000 00	\$5,802,000 00	\$3,000,000 00

NEW YORK CENTRAL RAILROAD COMPANY EQUIPMENT TRUST OF 1920

Company	Loco-motives	Passenger cars	Freight cars	Certificates issued for not to exceed 75 per cent of cost bearing dividend at 7 per cent	Annual installment	Certificates redeemed	Balance certificates outstanding Dec. 31, 1927
M C R R	26	38	1,950	\$7,014,971 25	\$467,664 75	\$3,273,653 25	\$3,741,318 00

N Y C LINES EQUIPMENT TRUST OF 1922

Company	Loco-motives	Freight cars	Certificates issued for not to exceed 75 per cent of cost bearing dividend at 5 per cent	Annual installments	Certificates redeemed	Balance certificates outstanding Dec. 31, 1927
M C R R	10	3,500	\$5,595,000 00	\$373,000 00	\$1,865,000 00	\$3,730,000 00
N Y C R R	50	5,000	8,580,000 00	572,000 00	2,860,000 00	5,720,000 00
C C C & St L Ry	15	4,000	5,625,000 00	375,000 00	1,875,000 00	3,750,000 00
C N R R	-	1,000	1,155,000 00	77,000 00	385,000 00	770,000 00
P & L E R R	-	2,500	3,345,000 00	223,000 00	1,115,000 00	2,230,000 00
P McK & Y R R	-	2,500	3,345,000 00	223,000 00	1,115,000 00	2,230,000 00
Totals	75	18,500	\$27,645,000 00	\$1,843,000 00	\$9,215,000 00	\$18,430,000 00

N Y C LINES FOUR AND ONE-HALF PER CENT EQUIPMENT TRUST OF 1922

Company	Loco-motives	Certificates issued for not to exceed 75 per cent of cost bearing dividend at 4½ per cent	Annual installments	Certificates redeemed	Balance certificates outstanding Dec. 31, 1927
M C R R	15	\$765,000 00	\$51,000 00	\$255,000 00	\$510,000 00
N Y C R R	160	8,535,000 00	569,000 00	2,845,000 00	5,690,000 00
C C C & St L Ry	65	3,360,000 00	224,000 00	1,120,000 00	2,240,000 00
Totals	240	\$12,660,000 00	\$844,000 00	\$4,220,000 00	\$8,440,000 00

The Michigan Central Railroad Company

EQUIPMENT TRUSTS (*concluded*)

N Y C LINES EQUIPMENT TRUST OF 1923

Company	Loco- motives	Passenger cars	Freight cars	Certificates issued for not to exceed 75 per cent of cost bearing dividend at 5 per cent	Annual installments	Certificates redeemed	Balance certificates outstanding Dec. 31, 1927
M C R R	—	36	4,000	\$9,480,000 00	\$632,000 00	\$2,528,000 00	\$6,952,000 00
N Y C R R	8	184	2,000	6,930,000 00	462,000 00	1,848,000 00	5,082,000 00
C C C & St L Ry	—	48	—	930,000 00	62,000 00	248,000 00	682,000 00
Totals	8	268	6,000	\$17,340,000 00	\$1,156,000 00	\$4,624,000 00	\$12,716,000 00

N Y C LINES EQUIPMENT TRUST OF 1924

Company	Loco- motives	Passenger cars	Freight cars	Certificates issued for not to exceed 75 per cent of cost bearing dividend at 5 per cent	Annual installments	Certificates redeemed	Balance certificates outstanding Dec. 31, 1927
M C R R	25	15	1,000	\$3,495,000 00	\$233,000 00	\$699,000 00	\$2,796,000 00
N Y C R R	61	110	5,240	14,745,000 00	983,000 00	2,949,000 00	11,796,000 00
C C C & St L Ry	45	—	2,210	6,405,000 00	427,000 00	1,281,000 00	5,124,000 00
C N R R	—	—	250	405,000 00	27,000 00	81,000 00	324,000 00
Totals	131	125	8,700	\$25,050,000 00	\$1,670,000 00	\$5,010,000 00	\$20,040,000 00

N Y C LINES FOUR AND ONE-HALF PER CENT EQUIPMENT TRUST OF 1924

Company	Loco- motives	Passenger cars	Freight cars	Certificates issued for not to exceed 75 per cent of cost bearing dividend at 4½ per cent	Annual installments	Certificates redeemed	Balance certificates outstanding Dec. 31, 1927
M C R R	5	23	1,000	\$2,595,000 00	\$173,000 00	\$519,000 00	\$2,076,000 00
N Y C R R	48	190	4,200	12,720,000 00	848,000 00	2,544,000 00	10,176,000 00
C C C & St L Ry	5	55	2,290	5,640,000 00	376,000 00	1,128,000 00	4,512,000 00
Totals	58	268	7,490	\$20,955,000 00	\$1,397,000 00	\$4,191,000 00	\$16,764,000 00

N Y C LINES EQUIPMENT TRUST OF 1925

Company	Passenger cars	Freight cars	Certificates issued for not to exceed 75 per cent of cost bearing dividend at 4½ per cent	Annual installments	Certificates redeemed	Balance certificates outstanding Dec. 31, 1927
M C R R	10	1,960	\$3,398,000 00	\$234,000 00	\$356,000 00	\$3,042,000 00
N Y C R R	253	3,700	10,526,000 00	734,000 00	984,000 00	9,542,000 00
C C C & St L Ry	60	4,800	7,778,000 00	532,000 00	862,000 00	6,916,000 00
Totals	323	10,460	\$21,702,000 00	\$1,500,000 00	\$2,202,000 00	\$19,500,000 00

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COMPARATIVE CONDENSED GENERAL BALANCE SHEET, DECEMBER 31, 1927 and 1926

ASSETS

1926	INVESTMENTS	1927	Comparison
\$76,362,257 00	Investment in road	\$77,465,878 26	\$1,103,621 26 Inc
	Investment in equipment		
74,685,808 54	Trust	60,634,995 61	14,050,812 93 Dec
21,584,278 90	Owned	37,150,103 45	15,565,824 55 Inc
3,306,579 77	Improvements on leased railway property	3,346,811 98	40,232 21 Inc
27,901 22	Deposits in lieu of mortgaged property sold	3,794 50	24,106 72 Dec
3,908,579 06	Miscellaneous physical property	4,109,466 52	200,887 46 Inc
	Investments in affiliated companies		
	\$9,058,036 25 Stocks	\$9,058,036 25	—
	912,531 80 Bonds	568,773 59	343,758 21 Dec
	778,623 94 Notes	778,623 94	—
	5,015,514 70 Advances	5,032,372 49	16,857 79 Inc
15,764,706 69		15,437,806 27	\$326,900 42 Dec
	Other investments		
	\$1,077 24 Stocks	\$1,563 42	486 18 Inc
	10,444,471 90 Bonds	6,371,482 31	4,072,989 59 Dec
	13 15 Notes	13 15	—
	Advances	555,000 00	555,000 00 Inc
	24,251 00 Miscellaneous	66,601 00	42,350 00 Inc
10,469,813 29		6,994,659 88	\$3,475,153 41 Dec
<u>\$206,109,924 47</u>	TOTAL INVESTMENTS	<u>\$205,143,516 47</u>	<u>\$966,408 00 Dec</u>
	CURRENT ASSETS		
\$14,513,471 63	Cash	\$8,248,204 13	\$6,265,267 50 Dec
	Demand loans and deposits	500,000 00	500,000 00 Inc
20,847 95	Special deposits	19,187 95	1,660 00 Dec
1,454 36	Loans and bills receivable	3,000,693 43	2,999,239 07 Inc
978,323 90	Traffic and car-service balances receivable	789,751 59	188,572 31 Dec
1,646,850 01	Net balance receivable from agents and conductors	1,379,437 22	267,412 79 Dec
1,931,720 58	Miscellaneous accounts receivable	1,875,868 94	55,851 64 Dec
6,161,943 36	Material and supplies	6,169,092 46	7,149 10 Inc
321,408 66	Interest and dividends receivable	293,748 06	27,660 60 Dec
172,477 40	Other current assets	45,179 35	127,298 05 Dec
<u>\$25,748,497 85</u>	TOTAL CURRENT ASSETS	<u>\$22,321,163 13</u>	<u>\$3,427,334 72 Dec</u>
	DEFERRED ASSETS		
\$28,604 17	Working fund advances	\$28,804 00	\$199 83 Inc
133,515 41	Other deferred assets	148,828 47	15,313 06 Inc
<u>\$162,119 58</u>	TOTAL DEFERRED ASSETS	<u>\$177,632 47</u>	<u>\$15,512 89 Inc</u>
	UNADJUSTED DEBITS		
\$2,769 97	Rents and insurance premiums paid in advance	\$3,456 29	\$686 32 Inc
1,348,822 56	Discount on funded debt	1,191,990 12	156,832 44 Dec
2,661,918 21	Other unadjusted debits	2,392,206 45	269,711 76 Dec
	(\$6,679,600) Securities issued or assumed—unpledged (\$6,679,600)		
<u>\$4,013,510 74</u>	TOTAL UNADJUSTED DEBITS	<u>\$3,587,652 86</u>	<u>\$425,857 88 Dec</u>
<u>\$236,034,052 64</u>		<u>\$231,229,964 93</u>	<u>\$4,804,087 71 Dec</u>

The Michigan Central Railroad Company

COMPARATIVE CONDENSED GENERAL BALANCE SHEET, DECEMBER 31, 1927 and 1926

LIABILITIES

1926	Stock	1927	Comparison
\$18,736,400 00	Capital stock	\$18,736,400 00	—
	LONG TERM DEBT		
\$33,190,942 31	Funded debt unmatured	\$26,747,318 00	\$6,443,624 31 Dec
40,778,000 00	Equipment obligations	40,778,000 00	—
\$73,968,942 31	Mortgage bonds	\$67,525,318 00	\$6,443,624 31 Dec
	Non-negotiable debt to affiliated companies	22,579 09	22,579 09 Inc
\$73,968,942 31	TOTAL LONG TERM DEBT	\$67,547,897 09	\$6,421,045 22 Dec
\$92,705,342 31	TOTAL CAPITALIZATION	\$86,284,297 09	\$6,421,045 22 Dec
	CURRENT LIABILITIES		
\$4,473,351 64	Traffic and car-service balances payable	\$3,601,140 38	\$872,211 26 Dec
4,835,737 59	Audited accounts and wages payable	4,272,470 55	563,267 04 Dec
988,467 17	Miscellaneous accounts payable	281,373 68	707,093 49 Dec
134,530 00	Interest matured unpaid	133,900 00	630 00 Dec
5,492 00	Dividends matured unpaid	6,542 00	1,050 00 Inc
2,000 00	Funded debt matured unpaid		2,000 00 Dec
3,278,870 00	Dividend declared, payable January 28, 1928	3,747,280 00	468,410 00 Inc
634,877 61	Unmatured interest accrued	516,396 55	118,481 06 Dec
427,774 87	Unmatured rents accrued	427,774 87	—
449,443 23	Other current liabilities	287,010 70	162,432 53 Dec
\$15,230,544 11	TOTAL CURRENT LIABILITIES	\$13,273,888 73	\$1,956,655 38 Dec
	DEFERRED LIABILITIES		
\$154,431 89	Other deferred liabilities	\$144,800 29	\$9,631 60 Dec
\$154,431 89	TOTAL DEFERRED LIABILITIES	\$144,800 29	\$9,631 60 Dec
	UNADJUSTED CREDITS		
\$6,808,993 67	Tax liability	\$6,592,690 91	\$216,302 76 Dec
27,904 93	Insurance and other casualty reserves	33,764 44	5,859 51 Inc
24,840,705 98	Accrued depreciation—equipment	28,387,285 56	3,546,579 58 Inc
87,009 31	Accrued depreciation—miscellaneous physical property	133,201 41	46,192 10 Inc
7,031,474 41	Other unadjusted credits	7,402,152 40	370,677 99 Inc
\$38,796,088 30	TOTAL UNADJUSTED CREDITS	\$42,549,094 72	\$3,753,006 42 Inc
	CORPORATE SURPLUS		
\$6,789,031 29	Additions to property through income and surplus	\$6,811,654 20	\$22,622 91 Inc
82,358,614 74	Profit and loss—balance	82,166,229 90	192,384 84 Dec
\$89,147,646 03	TOTAL CORPORATE SURPLUS	\$88,977,884 10	\$169,761 93 Dec
\$236,034,052 64		\$231,229,964 93	\$4,804,087 71 Dec

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INVESTMENTS

IMPROVEMENTS ON LEASED RAILWAY PROPERTY

Battle Creek & Sturgis Railway	\$16,985 83
Bay City Belt Line Railroad	2,027 35
Canada Southern Bridge	Credit 6,208 06
Canada Southern Railway	900,463 77
Detroit Manufacturers Railroad	91,930 39
Detroit Toledo & Milwaukee Railroad	83,990 14
Indiana Harbor Belt Railroad	9,831 80
Joliet & Northern Indiana Railroad	2,148,100 07
New York Central Railroad—Benton Harbor Extension	11,067 26
St Joseph South Bend & Southern Railroad	90,047 23
St Clair & Western Railroad	Credit 1,423 80
Total	<u>\$3,346,811 98</u>

DEPOSITS IN LIEU OF MORTGAGED PROPERTY SOLD

Account land at Jackson	<u>\$3,794 50</u>
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INVESTMENTS IN MISCELLANEOUS PHYSICAL PROPERTY

Detroit Fruit Auction Building	\$264,997 31
Freight Warehouse, Kirby Avenue, Detroit	15,342 43
Peninsular Stove Co—property	2,000,002 31
Detroit stockyards	951,900 43
Detroit land—Union Trust Company	251,949 54
Detroit lands—special	15,450 00
Warehouse leased to Baldwin Universal Co	187,435 02
Bay City, land for freight house	29,532 93
Real estate—Backus property	169,312 37
Land, Woodward Avenue	130,702 07
Quarry, Joliet	1 00
Rail leased to sundry parties	43,186 55
Jackson, land for new belt line and coach yard	35,730 32
Grand Rapids, land for new freight yard	1,309 36
Gravel pit, Toledo	12,613 88
Land Grant lands—Union Trust Company	1 00
Total	<u>\$4,109,466 52</u>

INVESTMENTS IN AFFILIATED COMPANIES—STOCKS

	Total outstanding	Shares	Held by this company Par value
Battle Creek & Sturgis Railway Co	\$500,000 00	4,175	\$417,500 00
Canada Southern Railway Co	15,000,000 00	81,601	8,160,100 00
Chicago Kalamazoo & Saginaw Railway Co	450,000 00	2,700	270,000 00
Detroit Manufacturers Railroad	300,000 00	1,773	177,300 00
Detroit River Tunnel Company	3,000,000 00	30,000	3,000,000 00
Detroit Terminal Railroad Co	2,000,000 00	5,000	500,000 00
Detroit Toledo & Milwaukee Railroad Co	1,060,000 00	5,300	530,000 00
Indiana Harbor Belt Railroad Co	5,000,000 00	15,000	1,500,000 00
Joliet & Northern Indiana Railroad Co	300,000 00	3,000	300,000 00
Lansing Manufacturers Railroad	100,000 00	500	50,000 00
Lansing Transit Railway Co	2,000 00	10	1,000 00
Mackinac Transportation Company	65,000 00	216 $\frac{2}{3}$	21,666 67
Toledo Terminal Railroad Co	4,000,000 00	3,872	387,200 00
Toronto Hamilton & Buffalo Railway Co	5,415,000 00	11,810	1,181,000 00
Total			<u>\$16,495,766 67</u>

INVESTMENTS IN AFFILIATED COMPANIES—BONDS

	Total outstanding	Held by this company par value
Battle Creek & Sturgis Railway Co first mortgage	\$500,000 00	\$24,000 00
Chicago Kalamazoo & Saginaw Railway Co first mortgage	468,000 00	281,000 00
Toledo Terminal Railroad Co first mortgage	5,241,000 00	137,000 00
Toronto Hamilton & Buffalo Railway Co consolidated gold mortgage	2,000,000 00	250,000 00
Total		<u>\$692,000 00</u>

*The Michigan Central Railroad Company***INVESTMENTS** *(concluded)*

		Held by this company par value
INVESTMENTS IN AFFILIATED COMPANIES—NOTES		
Indiana Harbor Belt Railroad Co		\$778,623 94
INVESTMENTS IN AFFILIATED COMPANIES—ADVANCES		
Canada Southern Railway Co		\$4,712,755 66
Lansing Manufacturers Railroad		118,446 94
Lansing Transit Railway Co		8,862 61
Mackinac Transportation Company		192,307 28
Total		\$5,032,372 49
OTHER INVESTMENTS—STOCKS		
Kansas Oklahoma & Gulf Railway Co		\$1,035 49
Birch Hill Country Club, Detroit, Michigan		100 00
Total		\$1,135 49
OTHER INVESTMENTS—BONDS		
United States of America First Liberty Loan converted 4¼%		\$50 00
United States of America Fourth Liberty Loan 4¼%		3,000,000 00
United States of America Treasury bonds 4%		3,000,000 00
Total		\$6,000,050 00
OTHER INVESTMENTS		
Jewell Polar Co—Note		\$13 15
Coe Terminal Warehouse Company—Advances		555,000 00
Membership Certificate—Chicago Board of Trade		1 00
Dixie Fuel and Supply Company—Land Contract		16,200 00
White Star Refining Company—Land Contract		50,400 00
Total		\$621,614 15

SUMMARY OF INVESTMENTS

Road and equipment				\$175,250,977 32
Improvements on leased or controlled railway property				3,346,811 98
Deposits in lieu of mortgaged property sold				3,794 50
Miscellaneous physical property				4,109,466 52
Investments in affiliated companies—Stocks, par value	\$16,495,766 67	ledger value	\$9,058,036 25	
Bonds, par value	692,000 00	ledger value	568,773 59	
Notes, par value	778,623 94	ledger value	778,623 94	
Advances			5,032,372 49	15,437,806 27
Other investments—				
Stocks, par value	\$1,135 49	ledger value	\$1,563 42	
Bonds, par value	6,000,050 00	ledger value	6,371,482 31	
Miscellaneous			621,614 15	6,994,659 88
Total investments				\$205,143,516 47

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EXPENDITURES FOR ADDITIONS AND BETTERMENTS

ROAD	Owmed railway property	Leased railway property
Engineering	\$699,558 92	
Land for transportation purposes	4,887,698 58	
Grading	2,815,108 86	\$3,969 40
Bridges, trestles and culverts	1,652,806 55	12,390 02*
Ties	2,335,447 57	13,681 11
Rails	2,783,194 10	6,296 68
Other track material	1,181,919 12	10,987 57
Ballast	1,517,233 18	2,668 83
Track laying and surfacing	1,915,826 23	8,175 77
Right-of-way fences	325,242 24	
Snow and sand fences and snow sheds	10,143 31	
Crossings and signs	403,671 69	442 62
Station and office buildings	967,768 11	10,665 88*
Roadway buildings	60,870 33	
Water stations	239,202 81	5,126 57*
Fuel stations	41,536 32	
Shops and engine houses	271,898 49	255 44
Wharves and docks	83,116 48	
Telegraph and telephone lines	65,059 83	314 40*
Signals and interlockers	225,751 85	22,389 83
Power plant buildings	17,456 06	
Power substation buildings	1,644 00	
Power transmission systems	3,337 45	
Power distribution systems	15,577 36	11 84
Power line poles and fixtures	2,356 58	
Underground conduits	509 64	
Miscellaneous structures	13,656 15	
Paving	7,803 95	1,619 86*
Roadway machines	22,077 60	
Roadway small tools	18,184 28	
Assessments for public improvements	178,230 11	365 00
Cost of road purchased	21,810,530 98*	
Other expenditures—road	1 02*	
Shop machinery	131,772 45	1,096 45
Power plant machinery	10,882 36	
Power substation apparatus	508 23	
Total road expenditures	\$1,096,518 79	\$40,223 81
EQUIPMENT†		
Steam locomotives	\$667,779 33	
Freight-train cars	391,086 68*	
Passenger-train cars	1,261,139 73	
Work equipment	22,759 45*	
Miscellaneous equipment	61 31*	
Total equipment expenditures	\$1,515,011 62†	
MISCELLANEOUS EXPENDITURES		
Interest during construction	\$7,102 47	\$8 40
Expenditures for the year	\$2,618,632 88	\$40,232 21
Investment in road and equipment as of December 31, 1926	172,632,344 44	3,306,579 77
Totals to December 31, 1927	\$175,250,977 32	\$3,346,811 98

* Credit

† Including trust equipment

The expenditures for leased line improvements were made upon the following-named properties:

Battle Creek & Sturgis Railway	\$449 45
Bay City Belt Line Railroad	1,786 73
Canada Southern Bridge	5,096 45*
Detroit Manufacturers Railroad	2,019 23*
Detroit Toledo & Milwaukee Railroad	12,250 59*
Joliet & Northern Indiana Railroad	78,164 20
New York Central Railroad—Benton Harbor Extension	119 04
St Joseph South Bend & Southern Railroad	21,037 54*
Indiana Harbor Belt Railroad—Argo Yard	116 60
Total	\$40,232 21

* Credit adjustment

The Michigan Central Railroad Company

EXPENDITURES FOR ADDITIONS AND BETTERMENTS (*concluded*)

Analysis of changes in Equipment Investment account

	TRUST	OWNED	TOTAL	Transferred to owned equipment on maturity of Trusts
EQUIPMENT ADDED, including betterments:				
Steam locomotives	\$74,731 40	\$1,445,137 65	\$1,519,869 05	\$4,464,293 10
Freight-train cars		35,009 78	35,009 78	8,633,067 08
Passenger-train cars	223,456 89	1,231,494 72	1,454,951 61	1,170,612 49
Work equipment		22,809 72	22,809 72	
Miscellaneous equipment		7,520 10	7,520 10	
Totals	\$298,188 29	\$2,741,971 97	\$3,040,160 26	\$14,267,972 67
EQUIPMENT RETIRED				
Steam locomotives		\$852,089 72	\$852,039 72	\$4,464,293 10
Freight-train cars	\$62,577 31	363,519 15	426,096 46	8,633,067 08
Passenger-train cars	18,451 24	175,360 64	193,811 88	1,170,612 49
Work equipment		45,569 17	45,569 17	
Miscellaneous equipment		7,581 41	7,581 41	
Totals	\$81,028 55	\$1,444,120 09	\$1,525,148 64	\$14,267,972 67
Net decrease in trust equipment				\$14,050,812 93
Net increase in owned equipment				15,565,824 55
Net increase in equipment investment				\$1,515,011 62

DETAIL OF RAILWAY OPERATING REVENUES

REVENUES FROM TRANSPORTATION	1927	1926	Increase	Decrease
Freight	\$60,355,090 02	\$64,489,761 55		\$4,134,671 53
Passenger	20,202,686 31	21,537,939 32		1,335,253 01
Excess baggage	130,633 04	136,137 04		5,504 00
Parlor and chair car	4,731 04	4,378 29	\$352 75	
Mail	1,048,584 86	947,085 40	101,499 46	
Express	4,115,980 20	4,443,370 96		327,390 76
Other passenger train	239,082 60	251,430 60		12,348 00
Milk	198,324 22	175,108 74	23,215 48	
Switching	1,531,389 93	1,505,384 41	26,005 52	
Special service train	19,535 00	14,242 00	5,293 00	
Total	\$87,846,037 22	\$93,504,838 31		\$5,658,801 09
INCIDENTAL AND JOINT FACILITY				
Dining and buffet	\$1,013,569 79	\$1,044,012 67		\$30,442 88
Hotel and restaurant	46,969 61	78,378 11		31,408 50
Station and train privileges	78,032 25	77,862 24	\$170 01	
Parcel room	31,968 70	36,384 70		4,416 00
Storage—freight	39,405 70	46,646 15		7,240 45
Storage—baggage	17,422 14	22,003 32		4,581 18
Demurrage	276,735 76	444,084 33		167,348 57
Telegraph and telephone	3,037 77	2,868 97	168 80	
Stockyard	517 68	410 72	106 96	
Rents of buildings and other property	89,602 86	86,520 20	3,082 66	
Miscellaneous	158,739 91	138,731 66	20,008 25	
Joint facility—Cr.	161,126 74	57,489 44	103,637 30	
Joint facility—Dr.	12,564 18	15,887 48	3,323 30	
Total	\$1,904,564 73	\$2,019,505 03		\$114,940 30
Total railway operating revenues	\$89,750,601 95	\$95,524,343 34		\$5,773,741 39

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DETAIL OF RAILWAY OPERATING EXPENSES

MAINTENANCE OF WAY AND STRUCTURES	1927	1926	Increase	Decrease
Superintendence	\$610,392 60	\$593,465 01	\$16,927 59	
Roadway maintenance	976,229 04	959,477 53	16,751 51	
Tunnels and subways	19,529 72	16,945 01	2,584 71	
Bridges, trestles and culverts	261,992 23	319,186 54		\$57,194 31
Bridges, trestles and culverts—depreciation	32,608 37	27,591 63	5,016 74	
Ties	1,214,069 21	1,391,435 05		177,365 84
Rails	784,323 33	675,248 50	109,074 83	
Other track material	825,082 63	809,313 11	15,769 52	
Ballast	611,587 80	668,597 53		57,009 73
Track laying and surfacing	2,735,884 65	3,253,356 96		517,472 31
Right-of-way fences	44,067 06	51,112 61		7,045 55
Snow and sand fences and snowsheds	1,361 70	1,329 03	32 67	
Crossings and signs	263,444 12	262,420 04	6,024 08	
Station and office buildings	380,319 28	634,871 54		254,552 26
Roadway buildings	26,313 61	24,322 86	1,990 75	
Water stations	115,261 25	163,970 00		48,708 75
Fuel stations	42,213 32	53,221 36		11,008 04
Shops and enginehouses	343,012 03	302,847 52	40,164 51	
Grain elevators	125 39	227 98		102 59
Wharves and docks	5,846 91	2,796 08	3,050 83	
Telegraph and telephone lines	71,927 99	106,707 42		34,779 43
Signals and interlockers	409,072 84	435,979 12		26,906 28
Power plant buildings	18,466 24	35,489 09		17,022 85
Power substation buildings	1,416 90	111 08	1,305 82	
Power transmission systems	4,634 40	2,029 64	2,604 76	
Power distribution systems	35,774 90	22,609 95	13,164 95	
Power line poles and fixtures	5,860 09	3,538 74	2,321 35	
Underground conduits	147 43	125 98	21 45	
Miscellaneous structures	928 17	1,112 34		184 17
Paving	22,779 99	35,453 98		12,673 99
Roadway machines	34,947 20	36,020 79		1,073 59
Small tools and supplies	110,902 54	143,508 66		32,606 12
Removing snow, ice and sand	137,022 35	257,505 32		120,482 97
Assessments for public improvements	3,470 24	2,458 53	1,011 71	
Injuries to persons	1,950 25	14,074 16		12,123 91
Insurance	37,344 63	37,439 65		95 02
Stationery and printing	22,824 59	19,383 26	3,441 33	
Other expenses	147 03	1,575 23		1,428 20
Maintaining joint tracks, yards and other facilities—Dr.	450,428 00	514,629 82		64,201 82
Maintaining joint tracks, yards and other facilities—Cr.	323,791 11	353,305 65	29,514 54	
Total	\$10,344,918 92	\$11,528,183 00		\$1,183,264 08

MAINTENANCE OF EQUIPMENT

Superintendence	\$556,710 40	\$528,033 00	\$28,677 40	
Shop machinery	324,198 23	374,906 51		\$50,708 28
Power plant machinery	16,979 50	9,590 93	7,388 57	
Power substation apparatus	5,519 25	3,776 34	1,742 91	
Power substation apparatus—depreciation		54,186 24*	54,186 24	
Steam locomotives—repairs	5,015,206 88	5,318,750 64		303,543 76
Steam locomotives—depreciation	679,363 84	628,107 31	51,256 53	
Steam locomotives—retirements	203,674 18	302,107 89		98,433 71
Other locomotives—repairs	28,524 38	21,642 91	6,881 47	
Other locomotives—depreciation	24,257 58	17,891 28	6,366 30	

Carried forward \$6,854,434 24 \$7,150,620 57

* Credit

*The Michigan Central Railroad Company*DETAIL OF RAILWAY OPERATING EXPENSES (*continued*)

MAINTENANCE OF EQUIPMENT (<i>concluded</i>)		1927	1926	Increase	Decrease
	<i>Brought forward</i>	\$6,854,434 24	\$7,150,620 57		
Freight-train cars—repairs		4,984,295 71	6,070,504 25		\$1,086,208 54
Freight-train cars—depreciation		2,529,577 89	2,472,570 79	\$57,007 10	
Freight-train cars—retirements		100,697 38	108,312 01		7,614 63
Passenger-train cars—repairs		1,293,565 85	1,349,038 59		55,472 74
Passenger-train cars—depreciation		352,740 00	306,606 35	46,133 65	
Passenger-train cars—retirements		38,953 51	26,653 09	12,300 42	
Work equipment—repairs		231,308 53	243,057 92		11,749 39
Work equipment—depreciation		64,687 96	59,928 72	4,759 24	
Work equipment—retirements		11,309 50	5,634 29	5,675 21	
Miscellaneous equipment—repairs		7,334 47	7,691 18		356 71
Miscellaneous equipment—depreciation		6,245 77	4,100 88	2,144 89	
Miscellaneous equipment—retirements		1,883 19	585 50	1,297 69	
Injuries to persons		13,628 68	61,353 45		47,724 77
Insurance		42,411 50	43,360 09		948 59
Stationery and printing		34,601 95	36,881 13		2,279 18
Other expenses		7,489 73	13,797 87		6,308 14
Maintaining joint equipment—Dr.		157,490 61	126,999 24	30,491 37	
Maintaining joint equipment—Cr.		13,768 46	23,156 21	9,387 75	
Total		\$16,718,888 01	\$18,064,539 71		\$1,345,651 70
TRAFFIC EXPENSES					
Superintendence		\$579,105 95	\$522,699 68	\$56,406 27	
Outside agencies		599,972 21	560,279 59	39,692 62	
Advertising		147,512 42	113,864 50	33,647 92	
Traffic associations		37,171 69	32,681 96	4,489 73	
Fast freight lines		2,103 96	2,443 76		\$339 80
Industrial and immigration bureaus		21,136 00	24,400 50		3,264 50
Insurance		723 95	668 53	55 42	
Stationery and printing		123,248 00	110,629 79	12,618 21	
Other expenses		102 25	600 00		497 75
Total		\$1,511,076 43	\$1,368,268 31	\$142,808 12	
TRANSPORTATION EXPENSES					
Superintendence		\$1,004,270 71	\$986,738 83	\$17,531 88	
Dispatching trains		208,942 02	205,528 22	3,413 80	
Station employees		3,809,034 47	3,894,053 81		\$85,019 34
Weighing, inspection and demurrage bureaus		62,717 93	60,108 14	2,609 79	
Station supplies and expenses		270,778 50	279,812 14		9,033 64
Yardmasters and yard clerks		1,138,552 89	1,142,406 28		3,853 39
Yard conductors and brakemen		3,048,636 58	3,111,580 29		62,943 71
Yard switch and signal tenders		374,092 99	380,867 35		6,774 36
Yard enginemen		1,772,529 53	1,874,407 14		101,877 61
Yard motormen		9,815 88	9,435 28	380 60	
Fuel for yard locomotives		1,607,081 23	1,735,896 04		128,814 81
Yard switching power produced		12,471 98	10,219 97	2,252 01	
Water for yard locomotives		69,801 79	83,259 79		13,458 00
Lubricants for yard locomotives		30,695 93	32,802 78		2,106 85
Other supplies for yard locomotives		10,443 74	12,773 88		2,330 14
Enginehouse expenses—yard		382,400 04	381,800 77	599 27	
Yard supplies and expenses		57,012 70	52,825 64	4,187 06	
Operating joint yards and terminals—Dr.		1,430,546 22	1,447,618 38		17,072 16
Operating joint yards and terminals—Cr.		385,524 75	382,312 05		3,212 70
Train enginemen		2,368,361 38	2,382,478 68		14,117 30
Train motormen		85,372 11	83,686 68	1,685 43	
Fuel for train locomotives		4,821,441 73	4,873,798 72		52,356 99
<i>Carried forward</i>		\$22,189,475 60	\$22,659,786 76		

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DETAIL OF RAILWAY OPERATING EXPENSES (*concluded*)

TRANSPORTATION EXPENSES (<i>concluded</i>)	1927	1926	Increase	Decrease
<i>Brought forward</i>	\$22,189,475 60	\$22,659,786 76		
Train power produced	50,032 78	40,792 39	\$9,240 39	
Water for train locomotives	261,782 08	243,503 66	18,278 42	
Lubricants for train locomotives	91,323 64	108,454 44		\$17,130 80
Other supplies for train locomotives	36,791 40	46,881 37		10,089 97
Enginehouse expenses—train	623,987 69	620,358 36	3,629 33	
Trainmen	2,854,005 87	2,858,076 04		4,070 17
Train supplies and expenses	1,212,450 67	1,212,589 76		139 09
Signal and interlocker operation	369,291 39	337,194 92	32,096 47	
Crossing protection	368,032 23	357,522 45	10,509 78	
Drawbridge operation	17,400 30	18,866 37		1,466 07
Telegraph and telephone operation	254,534 59	254,061 90	472 69	
Stationery and printing	234,876 37	275,136 31		40,259 94
Other expenses	38,837 65	13,779 81	25,057 84	
Operating joint tracks and facilities—Dr.	421,101 68	242,020 48	179,081 20	
Operating joint tracks and facilities—Cr.	253,530 49	212,843 30		40,687 19
Insurance	31,318 66	30,267 32	1,051 34	
Clearing wrecks	42,862 01	49,175 75		6,313 74
Damage to property	56,219 50	44,870 59	11,348 91	
Damage to live stock on right of way	1,983 61	3,486 25		1,502 64
Loss and damage—freight	361,218 62	517,845 00		156,626 38
Loss and damage—baggage	1,722 56	4,374 21		2,651 65
Injuries to persons	260,046 86	174,603 57	85,443 29	
Total	\$29,525,765 27	\$29,900,804 41		\$375,039 14
MISCELLANEOUS OPERATIONS				
Dining and buffet service	\$1,123,464 74	\$1,068,985 90	\$54,478 84	
Hotels and restaurants	44,269 65	73,244 65		\$28,975 00
Stockyards	114 60	378 29		263 69
Total	\$1,167,848 99	\$1,142,608 84	\$25,240 15	
GENERAL EXPENSES				
Salaries and expenses of general officers	\$172,695 07	\$168,512 12	\$4,182 95	
Salaries and expenses of clerks and attendants	1,114,956 04	1,048,092 97	66,863 07	
General office supplies and expenses	90,627 95	78,778 68	11,849 27	
Law expenses	192,450 25	165,647 28	26,802 97	
Insurance	2,702 67	611 73	2,090 94	
Pensions	1,149,065 02	1,258,591 61		\$109,526 59
Stationery and printing	72,866 75	81,277 72		8,410 97
Valuation expenses	140,130 47	191,084 08		50,953 61
Other expenses	68,314 12	86,917 35		18,603 23
General joint facilities—Dr.	22,521 77	2,913 81	19,607 96	
Total	\$3,026,330 11	\$3,082,427 35		\$56,097 24
TRANSPORTATION FOR INVESTMENT—CR.	\$50,539 57	\$129,467 88	\$78,928 31	
Total railway operating expenses	\$62,244,288 16	\$64,957,363 74		\$2,713,075 58

RATIO OF RAILWAY OPERATING EXPENSES, BY GROUPS, TO RAILWAY OPERATING REVENUES

	1927	1926
Maintenance of way and structures	11.53	12.07
Maintenance of equipment	18.63	18.91
Traffic expenses	1.68	1.43
Transportation expenses	32.90	31.30
Miscellaneous operations	1.30	1.20
General expenses	3.37	3.23
Transportation for investment—Cr.	.06	.14
Total	69.35	68.00

*The Michigan Central Railroad Company***TAXES ACCRUED**

	1927	1926	Increase	Decrease
On the value of real and personal property	\$3,978,826 55	\$3,560,907 38	\$417,919 17	
Railroad Commissioners' assessments, Ohio	2,992 48	3,060 14		\$67 66
Federal Government income tax	1,807,805 45	1,504,744 05	303,061 40	
Federal Government tax on capital		65,189 00		65,189 00
Canadian income tax	458,090 16	845,684 03		387,593 87
Total railway taxes accrued	\$6,247,714 64	\$5,979,584 60	\$268,130 04	
Taxes charged to "Miscellaneous operations"	27,390 93	21,183 99	6,206 94	
Miscellaneous tax accruals	70,474 24	21,529 19	48,945 05	
Total	\$6,345,579 81	\$6,022,297 78	\$323,282 03	

HIRE OF EQUIPMENT ACCOUNT

RECEIVED	1927	1926	Comparison
Freight cars: Leased	\$399,687 40	\$428,562 96	\$28,875 56 Dec
Interchanged	7,836,776 30	8,827,692 18	990,915 88 Dec
	\$8,236,463 70	\$9,256,255 14	\$1,019,791 44 Dec
Locomotives	41,919 55	64,678 13	22,758 58 Dec
Passenger cars	416,795 36	366,000 15	50,795 21 Inc
Work equipment	3,792 14	31,124 27	27,332 13 Dec
Totals	\$8,698,970 75	\$9,718,057 69	\$1,019,086 94 Dec

PAID	1927	1926	Comparison
Freight cars: Leased	\$11,934 85	\$64,600 00	\$52,665 15 Dec
Interchanged	6,312,113 61	7,937,571 26	1,625,457 65 Dec
Private	1,455,040 12	1,511,978 32	56,938 20 Dec
	\$7,779,088 58	\$9,514,149 58	\$1,735,061 00 Dec
Locomotives	97,243 62	85,135 65	12,107 97 Inc
Passenger cars	518,889 38	529,671 66	10,782 28 Dec
Work equipment	7,927 71	12,941 97	5,014 26 Dec
Floating equipment	1,042 64	208 17	834 47 Inc
Totals	\$8,404,191 93	\$10,142,107 03	\$1,737,915 10 Dec

NET BALANCES	1927	1926	Comparisons as affecting net debit balance
Freight cars: Leased	Credit balance \$387,752 55	Credit balance \$363,962 96	\$23,789 59 Dec
Interchanged	Credit balance 1,524,662 69	Credit balance 890,120 92	634,541 77 Dec
Private	Debit balance 1,455,040 12	Debit balance 1,511,978 32	56,938 20 Dec
Total freight cars	Credit balance \$457,375 12	Debit balance \$257,894 44	\$715,269 56 Dec
Locomotives	Debit balance 55,324 07	Debit balance 20,457 52	34,866 55 Inc
Passenger cars	Debit balance 102,094 02	Debit balance 163,671 51	61,577 49 Dec
Work equipment	Debit balance 4,135 57	Credit balance 18,182 30	22,317 87 Inc
Floating equipment	Debit balance 1,042 64	Debit balance 208 17	834 47 Inc
Net credit balance	\$294,778 82	Net debit balance \$424,049 34	\$718,828 16 Dec

JOINT FACILITY RENT ACCOUNT

	1927	1926	Comparison
Amount paid for use of facilities maintained by other companies	\$918,395 74	\$970,338 83	\$51,943 09 Dec
Amount received for use of facilities maintained by this company	379,512 50	396,871 21	17,358 71 Dec
Debit balance	\$538,883 24	\$573,467 62	\$34,584 38 Dec

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DEDUCTIONS FROM GROSS INCOME

Rent for leased roads

BATTLE CREEK AND STURGIS RAILWAY		
Interest at 3% on \$421,000 first mortgage bonds		\$12,630 00
CANADA SOUTHERN RAILWAY		
Interest at 5% on \$22,500,000 consolidated mortgage bonds	\$1,125,000 00	
Interest at 4% on \$130,000 Leamington & St Clair mortgage bonds	5,200 00	
Cash rental, 3% on \$15,000,000 capital stock	450,000 00	1,580,200 00
DETROIT MANUFACTURERS' RAILROAD		
Cash rental		15,150 00
DETROIT RIVER TUNNEL AND TERMINAL		
Interest at 4½% on \$18,000,000 first mortgage bonds	\$810,000 00	
Cash rental, 8% on \$3,000,000 capital stock	240,000 00	1,050,000 00
JOLIET AND NORTHERN INDIANA RAILROAD		
Dividend at 5% on \$300,000 capital stock		15,000 00
NEW YORK CENTRAL RAILROAD (BENTON HARBOR EXTENSION, ETC)		
Cash rental		5,000 00
ST JOSEPH SOUTH BEND AND SOUTHERN RAILROAD		
Cash rental		20,000 00
VARIOUS COMPANIES for sidings, team and yard tracks		
		37,335 46
Total rent for leased roads		<u>\$2,735,315 46</u>

Interest on funded debt

MORTGAGE BONDS		
Michigan Central Railroad Co first mortgage	3½%	\$630,000 00
Grand River Valley Railroad first mortgage	4%	60,000 00
Jackson Lansing & Saginaw Railroad first mortgage	3½%	59,325 00
Michigan Air Line Railroad first mortgage	4%	104,000 00
Detroit & Bay City Railroad first mortgage	5%	200,000 00
Kalamazoo & South Haven Railroad first mortgage	5%	35,000 00
Bay City & Battle Creek Railway Co first mortgage	3%	1,470 00
Toledo Canada Southern & Detroit Railway Co first mortgage	4%	124,000 00
Joliet & Northern Indiana Railroad first mortgage	4%	60,000 00
Gold debentures of 1909	4%	305,360 00
		<u>\$1,579,155 00</u>
EQUIPMENT TRUST OBLIGATIONS		
Equipment trust certificates of 1913	4½%	\$11,806 18
Equipment trust certificates of 1915	5%	56,250 00
Equipment trust certificates of 1917	6%	186,000 00
Equipment trust notes of January 15, 1920	6%	90,930 00
Equipment trust certificates of April 15, 1920	7%	271,440 35
Equipment trust certificates of June 1, 1922	5%	194,270 83
Equipment trust certificates of September 1, 1922	4½%	24,413 34
Equipment trust certificates of June 1, 1923	5%	360,766 66
Equipment trust certificates of June 1, 1924	5%	144,654 17
Equipment trust certificates of September 15, 1924	4½%	98,409 37
Equipment trust certificates of May 15, 1925	4½%	140,838 75
		<u>1,579,779 65</u>
Total interest on funded debt		<u>\$3,158,934 65</u>

DIVIDENDS

No. 131, 20 per cent on 187,364 shares, declared June 15, 1927, payable July 29, 1927	\$3,747,280 00
No. 133, 20 per cent on 187,364 shares, declared December 14, 1927, payable January 28, 1928	3,747,280 00
Total for year, 40 per cent	<u>\$7,494,560 00</u>

NOTE: Dividend No. 132, 50 per cent on 187,364 shares, declared December 14, 1927, payable December 30, 1927, and charged to surplus, \$9,368,200.00

The Michigan Central Railroad Company

EQUIPMENT IN SERVICE

(INCLUDING EQUIPMENT OF LEASED LINES)

	DEC. 31, 1926 Grand total	INCREASE By transfer or change of class		DECREASE By transfer or change of class		Grand total	Number owned*	DECEMBER 31, 1927 Number held under equipment trusts Number held under other form of title	
<i>Locomotives</i>									
For freight service	334	—	—	26	—	308	273	35	—
For passenger service	135	18	—	14	—	139	109	30	—
For switching service	236	—	—	—	—	236	210	26	—
Electric locomotives	12	—	—	—	—	12	12	—	—
Totals	717	18	—	40	—	695	604	91	—
<i>Freight-train cars</i>									
Box cars	28,255	—	—	252	9	27,994	11,552	16,409	33
Flat cars	1,475	—	—	98	12	1,365	1,365	—	—
Stock cars	1,054	—	—	109	—	945	498	447	—
Coal cars	7,525	19	—	137	—	7,407	3,897	3,510	—
Refrigerator and produce cars	—	—	—	—	—	—	—	—	—
Caboose cars	323	—	1	7	1	316	290	26	—
Totals	38,632	19	1	603	22	38,027	17,602	20,392	33
<i>Passenger-train cars</i>									
Coaches	256	35	—	15	4	272	169	87	16
Combination passenger cars	48	—	—	3	—	45	35	10	—
Dining cars	29	3	—	—	—	32	19	13	—
Baggage and express cars	177	11	—	3	—	185	103	76	6
Other combination cars	20	2	—	1	—	21	13	8	—
Postal cars	13	—	—	—	—	13	11	2	—
Other passenger-train cars	10	—	—	7	—	—	3	—	—
Totals	553	51	—	29	4	571	353	196	22
<i>Company service equipment</i>									
Officers' cars	7	—	—	—	—	7	7	—	—
Ballast cars	382	—	—	1	—	381	381	—	—
Derrick cars	3	—	—	—	—	3	3	—	—
Wrecking cars	8	—	—	—	—	8	8	—	—
Other company service cars	790	2	25	77	—	740	740	—	—
Totals	1,190	2	25	78	—	1,139	1,139	—	—

* Owned by The Michigan Central Railroad Company, The Canada Southern Railway Company or Detroit River Tunnel Company

EQUIPMENT OWNED OR LEASED BY BUT NOT IN SERVICE OF COMPANY

2,981 Refrigerator cars leased to Merchants Despatch, Incorporated

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TABLE OF TRACKS

MAIN LINE OWNED		State	MILES OF MAIN TRACK				Yards and sidings	Total
			First	Second	Third	Fourth		
Michigan Central Railroad	Detroit.....19956' W of New Buffalo	Mich	222.67	222.44	5.18	4.85	433.79	888.93
	W of New Buffalo..2556' W of Hammond	Ind	42.46	42.46	1.38	1.37	40.64	128.31
	W of Hammond.....Kensington	Ill	6.52	6.52	1.36	1.32	54.99	70.71
	Total main line owned		271.65	271.42	7.92	7.54	529.42	1,087.95
BRANCHES OWNED								
Air Line Branch	Jackson.....Niles	Mich	107.66	3.84	-	-	37.48	148.98
South Bend Branch	Niles.....5116' S of Bertrand	"	5.47	-	-	-	3.40	8.87
	S of Bertrand.....South Bend	Ind	5.97	-	-	-	5.54	11.51
South Haven Branch	Kalamazoo.....South Haven	Mich	39.34	-	-	-	7.34	46.68
Lansing Branch	Jackson.....Bay City	"	114.37	13.18	-	-	79.83	207.38
Mackinaw Branch	Bay City.....Mackinaw City	"	182.04	1.94	-	-	103.61	287.59
Gladwin Branch	Pinconning.....Gladwin	"	27.90	-	-	-	5.52	33.42
	Mt Forest.....Bentley	"	4.69	-	-	-	-	4.69
Twin Lakes Branch	Grayling.....Lewiston	"	27.26	-	-	-	21.72	48.98
Bagley Branch	Sallings.....Johannesburg	"	13.78	-	-	-	22.45	36.23
North Midland Branch	Bay City W S.....Midland	"	18.18	-	-	-	7.00	25.18
East Jordan Branch	Frederic.....East Jordan	"	42.65	-	-	-	8.07	50.72
Grand Rapids Branch	Rives Junction.....Grand Rapids	"	83.82	-	-	-	24.08	107.90
Bay City Branch	Detroit.....Bay City	"	107.44	7.55	-	-	86.05	201.04
Caro Branch	Vassar.....Owendale	"	33.54	-	-	-	9.61	43.15
Saginaw Branch	Denmark Junction.....Saginaw W S	"	15.76	-	-	-	8.91	24.67
Bay City Belt	At Bay City.....	"	5.81	-	-	-	3.07	8.88
Water Street Spur	At Bay City.....	"	3.01	-	-	-	7.11	10.12
Detroit Belt	At Detroit.....	"	6.31	4.78	-	-	35.03	46.12
Toledo Branch	Detroit.....23657' S of Vienna	"	46.82	3.43	-	-	98.10	148.35
	S of Vienna.....C S Jct Toledo	Ohio	8.56	-	-	-	42.81	51.37
Toledo Belt	At Toledo.....	"	3.49	1.50	-	-	21.78	26.77
Dearborn Branch	Toledo branch to main line.....	Mich	4.14	4.14	-	-	.23	8.51
	West leg of wye at main line.....	"	.64	-	-	-	3.81	4.45
	Oakwood Junction.....Dearborn	"	4.06	-	-	-	.42	4.48
	Total branches owned		912.71	40.36	-	-	642.97	1,596.04
	Total main line and branches owned		1,184.36	311.78	7.92	7.54	1,172.39	2,683.99
LINE JOINTLY OWNED								
St Charles Air Line	At Chicago.....	Ill	.70	.70	-	-	1.28	2.68
LEASED LINES								
Joliet & Northern Indiana R R	East Gary.....1201' W of Dyer	Ind	15.65	-	-	-	12.03	27.68
	W of Dyer.....Joliet	Ill	28.20	-	-	-	27.15	55.35
	At Joliet.....	"	1.37	1.35	1.33	1.31	.76	6.12
St Joseph So Bend & Southern R R	South Bend.....4099' N of Warwick	Ind	14.23	-	-	-	3.41	17.64
	N of Warwick.....St Joseph	Mich	25.08	-	-	-	7.77	32.85
New York Central Railroad	St Joseph Junction.....Benton Harbor	"	1.62	-	-	-	.99	2.61
Detroit Toledo & Milwaukee R R	Battle Creek.....Moscow	"	47.01	-	-	-	13.30	60.31
Lansing Transit Railway	At Lansing.....	"	.77	-	-	-	.87	1.64
Lansing Manufacturers Railroad	At Lansing.....	"	5.22	-	-	-	8.64	13.86
Bay City Belt Line R R (South Water Street track)	At Bay City.....	"	1.70	-	-	-	3.58	5.28
Battle Creek & Sturgis Ry	Battle Creek.....Findley	"	33.99	-	-	-	2.81	36.80
St Clair & Western Railroad	St Clair.....Richmond	"	14.89	-	-	-	.46	15.35
Canada Southern Bridge Co	Slocum Junction.....Grosse Ile	"	2.50	-	-	-	.90	3.40
Detroit Manufacturers R R	At Detroit.....	"	1.52	-	-	-	3.00	4.52
Detroit River Tunnel Co	Detroit.....6112' E of Detroit	"	1.81	1.81	-	-	14.37	17.99
	E of Detroit.....Windsor	Ont	1.45	1.45	-	-	.07	2.97
	Carried forward		197.01	4.61	1.33	1.31	100.11	304.37

The Michigan Central Railroad Company

TABLE OF TRACKS (concluded)

		MILES OF MAIN TRACK				Yards and sidings	Total	
		First	Second	Third	Fourth			
LEASED LINES (concluded)								
Brought forward		197.01	4.61	1.33	1.31	100.11	304.37	
Canada Southern Railway	Niagara Falls..... Windsor	Ont	226.10	224.58	-	-	192.70	643.38
	Bridgeburg..... Welland	"	16.86	16.86	-	-	22.45	56.17
	Amherstburg..... Essex	"	16.94	-	-	-	2.30	19.24
	St Clair Junction..... Courtright	"	62.29	-	-	-	5.60	67.89
	Oil City..... Eddys	"	5.30	-	-	-	.75	6.05
	Petrolia Junction..... Petrolia	"	6.62	-	-	-	1.56	8.18
	Comber..... Leamington	"	16.06	-	-	-	5.71	21.77
	Fort Erie..... Niagara Junction	"	3.10	-	-	-	.32	3.42
	Niagara Junction..... Niagara-on-the-Lake	"	25.15	-	-	-	7.43	32.58
	London Terminal.....	"	.50	-	-	-	1.39	1.89
Niagara River Bridge Co	Paradise Grove Spur.....	"	.26	-	-	-	-	.26
	Niagara Falls..... 456' E of Niagara Falls	"	.09	.09	-	-	-	.18
	E of Niagara Falls..... Suspension Bridge	N Y	.15	.15	-	-	-	.30
Indiana Harbor Belt Railroad	Argo yard.....	Ill	-	-	-	-	5.78	5.78
Toronto Hamilton & Buffalo Railway	Coyle yard.....	Ont	-	-	-	-	3.42	3.42
	Bridgeburg yard.....	"	-	-	-	-	8.82	8.82
Delaware Lackawanna & Western Railroad	At Black Rock.....	N Y	-	-	-	-	1.29	1.29
Illinois Central Railroad	At Chicago.....	Ill	-	-	-	-	.97	.97
Total leased lines			576.43	246.29	1.33	1.31	360.60	1,185.96
LINES OPERATED UNDER TRackage RIGHTS								
Pere Marquette Railroad	At Bay City (South Water St).....	Mich	.16	-	-	-	-	.16
Illinois Central Railroad	Kensington..... So Water St station, Chicago	Ill	14.00	14.00	-	-	-	28.00
	At Chicago.....	"	.74	-	-	-	-	.74
Canadian National Railways	Bridgeburg..... International Boundary	Ont	.32	-	-	-	-	.32
	International Boundary..... Black Rock	N Y	.87	.53	-	-	-	1.40
Grand Trunk Western Ry	At Battle Creek (Hall St).....	Mich	.20	-	-	-	-	.20
	To new prison, Jackson.....	"	3.03	-	-	-	-	3.03
Indiana Harbor Belt Railroad	Calumet Park..... Union Stockyards	Ill	30.04	30.04	-	-	-	60.08
	At Gibson.....	Ind	-	-	-	-	11.93	11.93
	At Hammond.....	"	-	-	-	-	1.41	1.41
Manistee & North Eastern Ry	Grayling Jct..... Portage Lake Branch	Mich	2.96	-	-	-	-	2.96
New York Central Railroad	Suspension Bridge..... Buffalo	N Y	24.77	24.37	-	-	-	49.14
	Vinewood Ave..... Beaubien St, Detroit	Mich	-	2.82	-	-	-	2.82
	River Rouge..... Mich-Ohio state line	"	-	43.38	-	-	-	43.38
	Mich-Ohio state line..... Toledo pass sta	Ohio	10.07	9.44	-	-	-	19.51
	S S & S Junction..... Olivers	Ind	1.57	-	-	-	1.98	3.55
Wheeling & Lake Erie Railway	Oak Street, Ironville..... Toledo	Ohio	5.87	-	-	-	-	5.87
Wabash Railway	Dix and Waterman avenues..... Detroit	Mich	.17	-	-	-	.03	.20
Detroit & Mackinac Railroad	At Cheboygan.....	"	2.16	-	-	-	3.59	5.75
Toledo Terminal Railroad	At Toledo.....	Ohio	-	-	-	-	2.02	2.02
Toronto Hamilton & Buffalo Ry	At Attercliffe.....	Ont	-	-	-	-	.04	.04
Total trackage rights			96.93	124.58	-	-	21.00	242.51
Total operated mileage			1,858.42	683.35	9.25	8.85	1,555.27	4,115.14

RECAPITULATION

STATE OR PROVINCE	Owned		Jointly owned		Leased		Otherwise operated		Total	
	1st track miles	All tracks miles	1st track mile	All tracks miles	1st track miles	All tracks miles	1st track miles	All tracks miles	1st track miles	All tracks miles
Michigan	1,117.36	2,395.32	-	-	136.11	194.61	8.68	58.50	1,262.15	2,648.43
Illinois	6.52	70.71	.70	2.68	29.57	68.22	44.78	88.82	81.57	230.43
Indiana	48.43	139.82	-	-	29.88	45.32	1.57	16.89	79.88	202.03
Ohio	12.05	78.14	-	-	-	-	15.94	27.40	27.99	105.54
New York	-	-	-	-	.15	1.59	25.64	50.54	25.79	52.13
Province of Ontario	-	-	-	-	380.72	876.22	.32	.36	381.04	876.58
Totals	1,184.36	2,683.99	.70	2.68	576.43	1,185.96	96.93	242.51	1,858.42	4,115.14

MILES OPERATED IN

Passenger service only	-	-	-	-	36.41	36.41
Freight service only	36.58	.70	14.90	43.63	95.81	

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MILEAGE STATISTICS

TRAIN MILEAGE

REVENUE SERVICE	1927	1926	Increase	Decrease
Freight train-miles	6,358,784	6,690,034		331,250
Passenger train-miles	6,534,947	6,556,983		22,036
Other passenger train-miles	800,171	908,518		108,347
Mixed train-miles	436,548	419,009	17,539	
Special train-miles	3,012	2,632	380	
Total revenue train mileage	14,133,462	14,577,176		443,714
Non-revenue train-miles	209,903	186,131	23,772	
Total train mileage	14,343,365	14,763,307	419,942	

LOCOMOTIVE MILEAGE

REVENUE SERVICE				
Freight locomotive-miles	6,805,180	7,135,215		330,035
Passenger locomotive-miles	7,638,876	7,827,483		188,607
Mixed locomotive-miles	446,125	426,849	19,276	
Special locomotive-miles	3,116	2,793	323	
Train switching locomotive-miles	347,352	350,085		2,733
Yard switching locomotive-miles	5,829,810	6,416,894		587,084
Total revenue locomotive mileage	21,070,459	22,159,319		1,088,860
Non-revenue locomotive-miles	403,065	452,997		49,932
Total locomotive mileage	21,473,524	22,612,316		1,138,792

CAR MILEAGE

REVENUE SERVICE				
Freight-train car-miles				
Freight cars—loaded	219,946,045	233,385,306		13,439,261
Freight cars—empty	140,459,291	139,597,094	862,197	
Caboose cars	6,412,151	6,740,779		328,628
Total freight-train car-miles	366,817,487	379,723,179		12,905,692
Passenger-train car-miles				
Passenger cars	15,752,413	16,740,848		988,435
Sleeping, parlor and observation cars	28,648,542	25,776,760	2,871,782	
Dining cars	2,750,948	2,760,602		9,654
Other passenger-train cars	23,430,124	23,824,933		394,809
Total passenger-train car-miles	70,582,027	69,103,143	1,478,884	
Mixed-train car-miles				
Freight cars—loaded	2,402,413	2,365,353	37,060	
Freight cars—empty	1,507,782	1,057,043	450,739	
Caboose cars	90,277	45,128	45,149	
Passenger cars	427,215	413,903	13,312	
Sleeping, parlor and observation cars	5,322	376	4,946	
Other passenger-train cars	366,259	418,087		51,828
Total mixed-train car-miles	4,799,268	4,299,890	499,378	
Special-train car-miles				
Freight cars—loaded	41,128	29,449	11,679	
Freight cars—empty		93		93
Caboose cars	3,007	2,632	375	
Passenger cars	14,714	10,370	4,344	
Total special-train car-miles	58,849	42,544	16,305	
Total revenue car mileage	442,257,631	453,168,756		10,911,125
Non-revenue car-miles	2,918,451	2,121,115	797,336	
Total car mileage	445,176,082	455,289,871		10,113,789

The Michigan Central Railroad Company

TRAFFIC STATISTICS

FREIGHT	1927	1926	Increase	Decrease
Tons of revenue freight carried	31,415,851	33,181,573		1,765,722
Tons of company freight carried	2,878,243	3,207,670		329,427
Total tons of freight carried	34,294,094	36,389,243		2,095,149
Tons of revenue freight carried one mile	4,282,486,049	4,527,067,573		244,581,524
Tons of company freight carried one mile	226,926,168	251,947,268		25,021,100
Total tons of freight carried one mile	4,509,412,217	4,779,014,841		269,602,624
Miles of road operated in freight service	1,822.01	1,819.57	2.44	
Tons of revenue freight carried one mile per mile of road	2,350,419	2,487,988		137,569
Tons all freight carried one mile per mile of road	2,474,966	2,626,453		151,487
Average distance haul of one ton of revenue freight	miles 136	miles 136		
Average distance haul of one ton of all freight	miles 131	miles 131		
Average number of tons of revenue freight per train mile ^①	630	637		7
Average number of tons of all freight per train mile ^①	664	672		8
Average number of tons of revenue freight per loaded car mile	19.26	19.19	.07	
Average number of tons of all freight per loaded car mile	20.28	20.27	.01	
Average number of freight cars per train mile ^①	54.57	53.90	.67	
Average number of loaded cars per train mile ^①	32.72	33.16		.44
Average number of empty cars per train mile ^①	20.89	19.79	1.10	
Total freight revenue	\$60,355,090.02	\$64,489,761.55		\$4,134,671.53
Average amount received for each ton of freight	\$1.92	\$1.94		\$0.02
Average revenue per ton per mile	cents 1.409	cents 1.425		cent 0.016
Average revenue per mile of road	\$33,125.55	\$35,442.31		\$2,316.76
Average revenue per train mile ^①	\$8.88	\$9.07		\$0.19
PASSENGER				
Number of interline passengers carried	1,877,431	1,914,665		37,234
Number of local passengers carried	1,758,933	2,173,761		414,828
Number of commutation passengers carried	135,759	187,088		51,329
Total number of revenue passengers carried	3,772,123	4,275,514		503,391
Total number of revenue passengers carried one mile	577,000,285	622,181,373		45,181,088
Miles of road operated in passenger service	1,762.61	1,762.61		
Number of revenue passengers carried one mile per mile of road	327,356	352,987		25,631
Average distance each revenue passenger carried	miles 152.96	miles 145.52	miles 7.44	
Average number of passengers per train mile ^②	83	89		6
Average number of passengers per car mile	13	14		1
Average number of passenger cars per passenger train mile	9.6	9.2	.4	
Total passenger revenue	\$20,202,686.31	\$21,537,939.32		\$1,335,253.01
Average amount received from each passenger	\$5.36	\$5.04	\$0.32	
Average revenue per passenger per mile	cents 3.501	cents 3.462	cent 0.039	
Total passenger service train revenue	\$25,940,022.27	\$27,495,450.35		\$1,555,428.08
Average passenger service train revenue per mile of road	\$14,716.82	\$15,599.28		\$882.46
Average passenger service train revenue per train mile ^②	\$3.34	\$3.49		\$0.15
TOTAL TRAFFIC				
Operating revenues	\$89,750,601 95	\$95,524,343 34		\$5,773,741 39
Operating expenses	62,244,288 16	64,957,363 74		2,713,075 58
Net operating revenue	\$27,506,313 79	\$30,566,979 60		\$3,060,665 81
Average mileage of road operated	1,858.42	1,855.98	2.44	
Operating revenues per mile of road	\$48,294 04	\$51,468 41		\$3,174 37
Operating expenses per mile of road	33,493 12	34,998 96		1,505 84
Net operating revenue per mile of road	\$14,800 92	\$16,469 45		\$1,668 53

① "Freight train miles" includes total "mixed train miles"

② "Passenger train miles" includes total "mixed train miles"

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TRAFFIC STATISTICS (continued)

DESCRIPTION OF REVENUE FREIGHT MOVED

NUMBER OF CARLOADS				COMMODITY	NUMBER OF TONS (2,000 pounds)			
Decrease	Increase	1926	1927		1926	Increase	Decrease	
	1,799	5,501	7,300	Wheat	290,616	214,949	75,667	
	85	7,283	7,368	Corn	276,294	273,969	2,325	
2,074		5,475	3,401	Oats	100,069	172,475		72,406
	445	1,463	1,908	Other grain	60,675	46,536	14,139	
124		11,343	11,219	Flour and meal	339,806	333,633	6,173	
	1,698	26,978	28,676	Other mill products	545,451	519,782	25,669	
702		3,644	2,942	Hay, straw and alfalfa	36,577	45,278		8,701
304		1,018	714	Tobacco	9,448	13,570		4,122
190		2,505	2,315	Cotton	26,330	27,148		818
	310	316	626	Cotton seed and products, except oil	15,335	7,782	7,553	
589		5,826	5,237	Citrus fruits	88,452	97,625		9,173
2,475		18,238	15,763	Other fresh fruits	201,844	232,689		30,845
	1,017	6,164	7,181	Potatoes	126,361	109,191	17,170	
	1,407	7,841	9,248	Other fresh vegetables	123,060	98,217	24,843	
700		4,440	3,740	Dried fruits and vegetables	82,108	95,432		13,324
475		9,697	9,222	Other products of agriculture	244,055	273,464		29,409
872		117,732	116,860	Total	2,566,481	2,561,740	4,741	

ANIMALS AND PRODUCTS

1		270	269	Horses and mules	3,031	3,111		80
1,187		8,885	7,698	Cattle and calves	91,192	103,984		12,792
25		2,717	2,692	Sheep and goats	25,059	25,561		502
	260	10,260	10,520	Hogs	118,717	115,699	3,018	
1,582		21,471	19,889	Fresh meats	252,535	253,440		905
2,162		10,023	7,861	Other packing-house products	126,691	164,056		37,365
	110	1,336	1,446	Poultry	17,456	15,980	1,476	
	307	4,308	4,615	Eggs	53,612	48,481	5,131	
347		4,996	4,649	Butter and cheese	56,218	59,283		3,065
195		751	556	Wool	6,811	10,413		3,602
	175	1,550	1,725	Hides and leather	36,859	33,501	3,358	
485		2,429	1,944	Other animals and products	36,879	45,948		9,069
5,132		68,996	63,864	Total	825,060	879,457		54,397

PRODUCTS OF MINES

4,966		24,660	19,694	Anthracite coal	851,627	1,039,076		187,449
	2,563	142,985	145,548	Bituminous coal	7,754,114	7,705,606	48,508	
8,002		27,091	19,089	Coke	603,723	836,306		232,583
73		121	48	Iron ore	1,716	4,923		3,207
669		1,814	1,145	Other ores and concentrates	50,556	77,021		26,465
28		73	45	Base bullion and matte	2,045	3,248		1,203
13,102		116,820	103,718	Clay, gravel, sand and stone	5,433,432	6,088,576		655,144
214		346	132	Crude petroleum	4,089	10,807		6,718
	53	2,061	2,114	Asphaltum	74,114	71,074	3,040	
227		4,075	3,848	Salt	113,702	116,259		2,557
	995	1,092	2,087	Other products of mines	76,719	38,903	37,816	
23,670		321,138	297,468	Total	14,965,837	15,991,799		1,025,962

The Michigan Central Railroad Company

TRAFFIC STATISTICS (*concluded*)DESCRIPTION OF REVENUE FREIGHT MOVED (*concluded*)

NUMBER OF CARLOADS				COMMODITY	NUMBER OF TONS (2,000 pounds)			
Decrease	Increase	1926	1927		1926	Increase	Decrease	
2,817		18,052	15,235	PRODUCTS OF FORESTS	1927			
75		1,258	1,183	Logs, posts, poles and cord wood	420,644	513,082		92,438
	2,308	2,877	5,185	Ties	32,777	33,621		844
10,389		54,705	44,316	Pulp wood	154,238	84,174	70,064	
				Lumber, timber, box shooks, staves and				
				headings	1,163,956	1,442,686		278,730
1,452		3,892	2,440	Other products of forests	49,937	92,556		42,619
12,425		80,784	68,359	Total	1,821,552	2,166,119		344,567

MANUFACTURES AND MISCELLANEOUS

	2,697	33,772	36,469	Refined petroleum and its products	1,021,640	932,695	88,945	
75		1,167	1,092	Vegetable oils	28,471	29,167		696
1,053		7,589	6,536	Sugar, syrup, glucose and molasses	180,745	209,350		28,605
71		174	103	Boats and vessel supplies	685	1,004		319
	290	6,560	6,850	Iron, pig and bloom	318,349	315,117	3,232	
	73	279	352	Rails and fastenings	11,099	8,626	2,473	
1,827		44,413	42,586	Bar and sheet iron, structural iron and iron				
				pipe	1,333,688	1,407,877		74,189
786		4,336	3,550	Other metals, pig, bar and sheet	107,581	127,932		20,351
2,938		17,268	14,330	Castings, machinery and boilers	282,836	351,440		68,604
	900	13,300	14,200	Cement	542,545	507,728	34,817	
930		11,429	10,499	Brick and artificial stone	379,086	422,255		43,169
83		5,742	5,659	Lime and plaster	146,533	158,629		12,096
	822	2,918	3,740	Sewer pipe and drain tile	68,657	49,271	19,386	
675		6,336	5,661	Agricultural implements and vehicles, other				
				than automobiles	102,179	106,633		4,454
36,421		235,310	198,889	Automobiles and autotrucks	1,493,423	1,702,363		208,940
205		660	455	Household goods and second-hand furniture	3,412	5,043		1,631
479		6,092	5,613	Furniture (new)	46,509	48,900		2,391
159		1,665	1,506	Beverages	27,751	31,179		3,428
	178	1,120	1,298	Ice	45,689	39,957	5,732	
	533	5,291	5,824	Fertilizers (all kinds)	142,761	126,129	16,632	
469		15,418	14,949	Paper, printed matter and books	350,500	366,484		15,984
977		23,268	22,291	Chemicals and explosives	725,675	740,311		14,636
519		2,052	1,533	Textiles	20,934	32,201		11,267
584		7,206	6,622	Canned goods (all canned food products)	152,669	165,278		12,609
	1	129,544	129,545	Other manufactures and miscellaneous	2,799,933	2,762,564	37,369	
42,757		582,909	540,152	Total	10,333,350	10,648,133		314,783
84,856		1,171,559	1,086,703	GRAND TOTAL CARLOAD TRAFFIC	30,512,280	32,247,248		1,734,968
				Merchandise—All L C L freight	903,571	934,325		30,754
				GRAND TOTAL TRAFFIC	31,415,851	33,181,573		1,765,722

*The Michigan Central Railroad Company***JACKSON LANSING & SAGINAW RAILROAD LAND GRANT FUND**

OF

THE MICHIGAN CENTRAL RAILROAD COMPANY

DETROIT, MICHIGAN, January 11, 1928

PATRICK E. CROWLEY, President

The Michigan Central Railroad Company

NEW YORK

DEAR SIR:

I respectfully submit herewith annual statement of the business of the Land Department of this company for the year ended December 31, 1927:

LAND AND SALES ACCOUNT

	Acres		Amount
Unsold January 1, 1927, according to patents	6,631.03	Lands sold during the year	\$640.00
Sold during the year	<u>1,176.58</u>	Total amount due on contracts at close of year	\$915.00
Unsold at close of the year	<u>5,454.45</u>		

The sales for the last five years were as follows:

	1923	1924	1925	1926	1927
Acres sold	69.06	None	598.64	2,143.96	1,176.58
Land sales	\$479.50	None	\$1,197.28	\$970.00	\$1,555.00
Average per acre	\$6.94		\$2.00	\$0.45	\$1.32

CASH ACCOUNT

RECEIPTS		DISBURSEMENTS	
Cash on hand January 1, 1927	\$2,742 59	For taxes	\$1,174 94
From payments on land contracts and sales	945 00	Cash on hand December 31, 1927	2,595 64
From interest and taxes	62 99		
From miscellaneous sources	20 00		
	<u>\$3,770 58</u>		<u>\$3,770 58</u>

WILLIAM HUTCHINSON,
Commissioner.

LAND GRANT FUNDMESSRS. BRONNER, ROBSON AND BLAIR, *Trustees*

Balance on hand at end of 1926, as shown by report for that year	\$377 40
Interest on deposits	13 29
Cash on hand December 31, 1927	<u>\$390 69</u>